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FOREIGN NEWS ON SUGAR

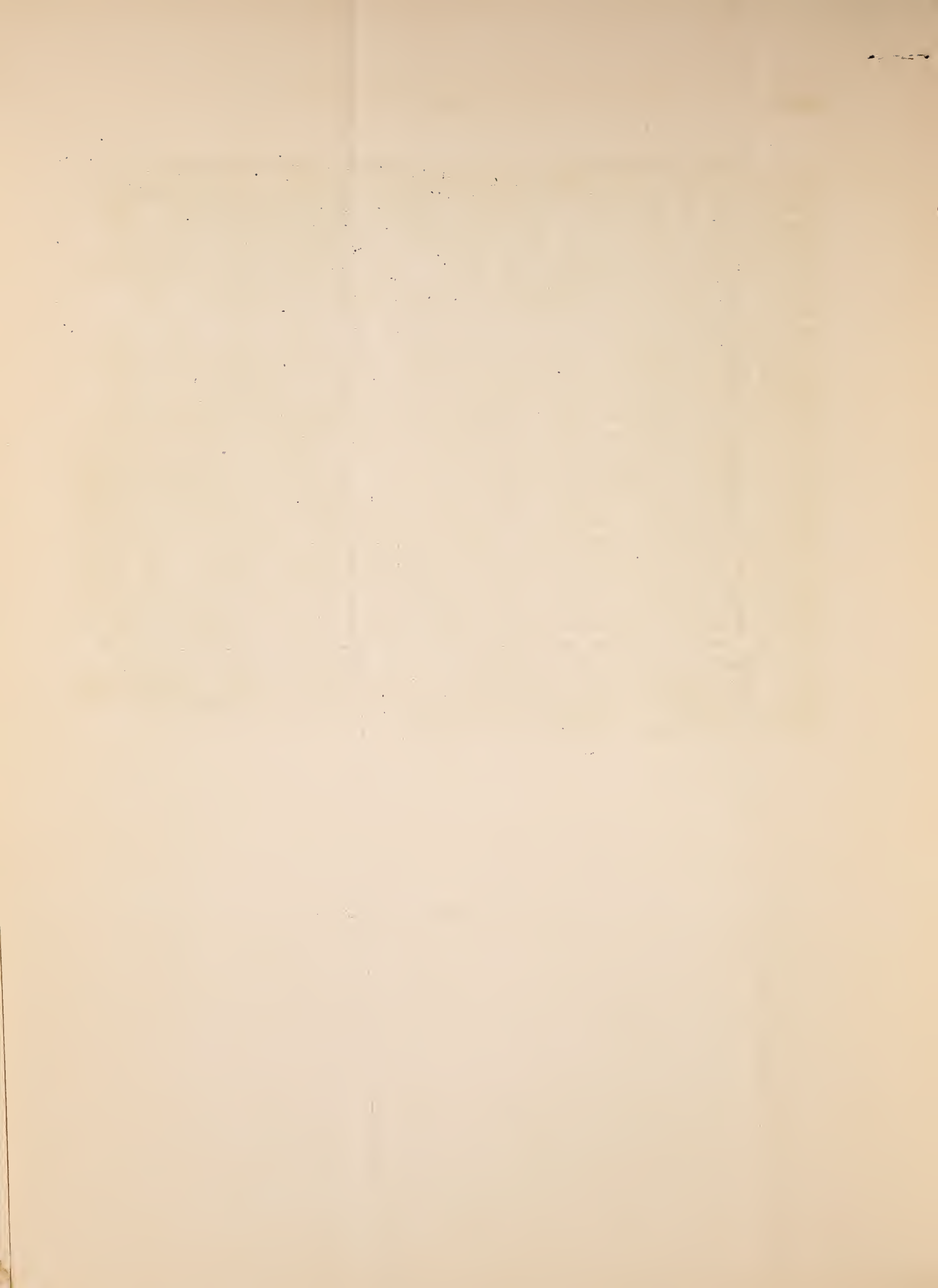
THE 1927 SUGAR INDUSTRY OF SOVIET RUSSIA

The 1927 beet sugar crop of Soviet Russia is expected not only to cover domestic requirements and build up certain reserve stocks, but also to provide exports to Persia, Afghanistan and to some extent to western Europe, according to an article in an official Russian publication, "Torgovo-Promishlennaya Gasetta", October 7, 1927, forwarded to the Bureau of Agricultural Economics by L. V. Steere, acting agricultural commissioner at Berlin. The article states that raw sugar production is estimated at 1,390,000 to 1,410,000 short tons while the sugar beet crop is placed at between 10,500,000 short tons and 10,600,000 short tons. This indicates an increase in raw sugar production of about 50 per cent over last year's crop of 947,206 short tons as reported by the International Institute of Agriculture at Rome, and a similar increase in the sugar beet crop reported for 1926 by the Statistical Review at 7,042,000 short tons.

The article states that in view of the exceptional sugar beet crop this year and the shortage of sugar which has been felt recently, the Sugar Trust found it necessary to start the sugar manufacturing season earlier than usual in order to be able to cover the market requirements. According to the report 130 sugar factories were at work on October 1 compared with 18 and 45 at the same date in 1926 and 1925 respectively. Favorable weather conditions during the autumn permitted the storage of beets under favorable conditions and sugar production costs should decrease by 13 to 15 per cent, according to the report. Sugar factories are expected to work 97 days on the average this year as compared with 84 days during the pre-war time. According to the opinion of Russian specialists, sugar factories normally should work 85 to 90 days on the average, whereas this year 25 factories will work 100 days and 82 factories more than 100 days. Attention is called to the fact, however, that the capacity of the sugar factories has been reduced almost 50 per cent because of obsolete machinery. Under these circumstances delays in factory operations can be reduced to a minimum only by supplying the factories with parts of machines and necessary material for repairs.

There are indications that the factories will not be able to work up all the sugar beets produced by the peasants. This is particularly true of the Kiev and Kharkov sections of the Sugar Trust, from where sugar beets have to be transported to other sections. The administration of the Sugar Trust, therefore, is pushing the building of new factories and expanding old ones. Seven new factories are planned for 1928, besides the expansion of seven existing factories. Old Russian factories, of which there are about 200, are about worn out; only 157 sugar factories and 14 refineries are working this year. It is natural, therefore, that the investment of large amounts of capital in the sugar industry is becoming urgent. With the permission of the Supreme Council of National Economy the Sugar Trust intends to mobilize up to 4.5 million rubles (\$2,315,700) of its private reserves, and this amount, together with funds placed at its disposal by the council, will be used for the building of new factories. Soviet machine factories are expected to supply the needed machinery. The article states further that the good crop of sugar beets this year, the longer period of sugar production, and the shortage of sugar stocks cause a difficult financial situation for the Sugar Trust, particularly in the autumn when payments for sugar beets must be made and the factories begin working. The Trust has usually received large credits from the State Bank during this period, but a reduction in the credit activity of the bank has taken place. This fact weighs heavily upon the Sugar Trust, which is forced to pay for and work up all the raw material in the relatively short period of 3 to 4 months, whereas the product is being marketed during the whole year. The article urges a reduction in the price of sugar, thereby making it possible to increase the sales and to extend consumption of sugar to the poorer classes of the Union.

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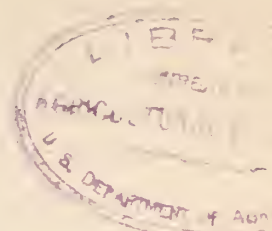
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FOREIGN NEWS ON SUGAR

SEP 12 1928

SUGAR PRODUCTION IN RUSSIA



The 1928 sugar production of the Russian Sugar Trust throughout the whole Union was placed at about 1,731,000 short tons at a recent meeting of the members of the Trust at Kharkov, Ukraine, according to Russian press reports forwarded to the Bureau of Agricultural Economics by L. V. Steere, acting agricultural commissioner at Berlin. This indicates an increase of about 300,000 short tons over the 1927 crop previously reported at 1,473,000 short tons by the Sugar Trust. About 82 per cent of the Russian sugar crop is produced in Ukraine. In view of the large crop expected this year it is estimated that the factories will work 106 days on the average as compared with 94 days during the 1927-28 season. Six or seven factories which have not been active within recent years are expected to work during the coming season.

According to data of the Sugar Trust the sowing campaign of factory sugar beets developed successfully in all branches of the Trust. Total sowings of sugar beets on the farms belonging to the trust amounted to 458,393 acres which was 102.2 per cent of the plan. In Ukraine the plan was surpassed by 2.9 per cent and in other beet producing regions by .4 per cent. The expansion of the sown area in peasants' fields and other farming enterprises was still more intensive. Here the area sown reached 1,314,110 acres which was 109.3 per cent of the plan. The plan was surpassed by 9.1 per cent in Ukraine and 10.9 per cent in other parts of Russia. This indicates a total acreage of 1,772,503 acres devoted to beets in 1928 which is an increase of 16 per cent over last year when, according to the International Institute of Agriculture, 1,526,000 acres were harvested.

The satisfactory outcome of this year's contract plan was largely due to the fact that general conditions this year were favorable, according to an article by E. Nekrashevich in Economic Life of June 29. Among other factors, which have influenced favorable the process of making contracts, must be mentioned a more favorable relation of prices of sugar beets and grain, and a timely publication of the conditions under which contracts were to be made.

The contracting began earlier than other years, considerable headway having already been made before the end of 1927. By January 1, 1928, 943,008 acres, constituting 78.4 per cent of the area planned, had already been contracted for as compared with 14.3 per cent or 135,562 acres on January 1, 1927 and even less in 1926. The expansion in acreage was

greatest in Podolia and the Central Agricultural Region. These are regions where the capacity of the factories has been least utilized. The situation, however, with regard to distribution of peasant sowings from the standpoint of individual mills, is not considered satisfactory as yet in many cases, states the report. Growth of the peasants' sowings does not always proceed according to plan but sometimes develops in a haphazard fashion resulting in beets being grown where they cannot be used advantageously. This fact tends to increase cost of production due to greater transportation costs.

The contracts have been made almost exclusively through the system of special sugar beet cooperatives. The preliminary preparation for sowings, such as supplying the peasants with fertilizer, seed and seeding machines, was comparatively satisfactory. Deep plowing this year as distinct from last year was done to a considerable extent in the fall and is expected to exert a favorable influence on the size of the crop. Weather conditions in the spring had not seriously affected the beet crop. The damaged area was estimated at 6 per cent, almost all of which has been resown. The growth of the crop proceeded more or less normally, the late spring coupled with sudden changes in weather conditions by reducing the vegetation period two or three weeks, may have an adverse effect on the crop.

